

Message Text

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ACTION OES-09

INFO OCT-01 ARA-10 EUR-12 ISO-00 ACDA-12 CIAE-00
INR-10 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05
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FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 6685
INFO AMEMBASSY LIMA
AMEMBASSY VIENNA

C O N F I D E N T I A L BUENOS AIRES 5756

USIAEA

E.O. 11652: GDS
TAGS: MNUC, PARM, ENRG, AR, PE
SUBJECT: ARGENTINE CNEA REQUEST FOR US FUEL FOR PERU ZERO POWER
REACTOR

1. DR. JORGE COLL, DIRECTOR-GENERAL CNEA ASKED SCICOUNS
TO INVESTIGATE THE POSSIBILITY OF US DEPT. OF ENERGY
AND DEPT. OF STATE APPROVAL FOR 37.5 KILOS OF UF 6
MTR TYPE ENRICHED URANIUM AT 20 PERCENT IN U235 TO BE
PROVIDED TO ARGENTINA FOR ULTIMATE SHIPMENT TO PERU
FOR THE RP-O ZERO POWER REACTOR RECENTLY SUPPLIED TO
PERU BY ARGENTINA. COLL INDICATED THAT THE PRESENT
SUPPLY OF 14.7 KILOS OF US ORIGIN URANIUM LOANED TO
PERU MUST BE RETURNED TO ARGENTINA IN ABOUT 18 MONTHS,
ACCORDING TO THE RECENTLY SIGNED SUPPLY AGREEMENT.
THIS NEW FUEL REQUEST WOULD BE SUFFICIENT TO MAINTAIN
THE PERU RP-O IN OPERATION FOR THE LIFE OF THE
REACTOR. THE PRESENT 14.7 KILOS WILL BE
RETURNED TO THE ARGENTINE RESEARCH REACTOR IN CORDOBA
WHICH IS NOW NON-OPERATIVE. COLL STATED THAT GIVEN
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THE SHORT TIME LIMIT AVAILABLE AND THE LACK OF NECESSARY
INSTALLATIONS IN ARGENTINA FOR COMPLETE FABRICATION OF
THE LEU FUEL ELEMENTS, CNEA HAS CONTEMPLATED SUBDIVIDING
THE FABRICATION PROCESS INTO TWO STAGES.

2. ACCORDING TO COLL, THE FIRST STAGE WOULD BE
CARRIED OUT IN COOPERATION WITH THE SPANISH NUCLEAR ENERGY

BOARD AND WOULD CONSIST OF US SHIPMENT OF 37.5 KILOS OF UF 6 ENRICHED URANIUM TO SPAIN FOR FABRICATION INTO A "PICTURE FRAME" (OR METAL PLATE) TYPE FUEL ELEMENT, I.E. THE URANIUM PELLETS WOULD FORM THE NUCLEUS OF RECTANGULAR METAL PLATE CONTAINERS AND THE METAL SHEETS WOULD BE SANDWICHED TOGETHER. IN THE SECOND STAGE THESE FUEL ELEMENTS WOULD THEN BE SENT TO ARGENTINA AND ULTIMATELY TO PERU FOR INSTALLATION IN THE ZERO POWER REACTOR AFTER THE US ORIGIN FUEL RODS WERE REMOVED AT THE TERMINATION OF THE SUPPLY AGREEMENT. APPARENTLY SPAIN HAS THIS TECHNOLOGY AND IS WILLING TO SHARE THE FABRICATION TECHNOLOGY WITH ARGENTINA. UNDER THIS ARRANGEMENT THE REACTOR AND THE US ORIGIN FUEL WOULD BE SAFEGUARDED THROUGH THE ARGENTINE-US NUCLEAR COOPERATION AGREEMENT AND IAEA.

3. ACCORDING TO THE ARGENTINA-PERU NUCLEAR COOPERATION AGREEMENT, ARGENTINA WILL PROVIDE A 10MW RESEARCH REACTOR TO PERU WITHIN THE NEXT 3 1/2 YEARS. COLL SAID THAT ARGENTINA WOULD ACQUIRE THE NECESSARY TECHNOLOGY FOR THE FABRICATION OF THESE PLATE TYPE FUEL ELEMENTS WITH 20 PERCENT ENRICHED URANIUM WITHIN THE NEXT TWO OR THREE YEARS, AND THIS WOULD ENABLE ARGENTINA TO PROVIDE THE NECESSARY FUEL ELEMENTS TO PERU FOR THE 10MW REACTOR. THIS PLAN WOULD ALLOW THE USE OF CONFIDENTIAL

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20 PERCENT ENRICHED URANIUM AND NOT REQUIRE HEU (90 PERCENT).

4. CNEA WOULD INTEND TO PURCHASE THE UF 6 URANIUM FUEL FROM THE US AT THE CURRENT PRICE AT THE TIME OF SALE. COLL COMMENTED THAT IN THE CASE OF A POSITIVE US ANSWER TO THIS REQUEST, CNEA WOULD NEED TO KNOW THE PROCEDURES TO TAKE FOR OBTAINING THE URANIUM FUEL AND THE HEAREST POSSIBLE DATE OF DELIVERY TO SPAIN. EMBASSY REQUESTS DEPARTMENT'S COMMENTS ON THIS FUEL TRANSACTION ASAP.

5. COMMENTS: THE PERU RA-O ZERO POWER REACTOR WAS MADE CRITICAL ON JULY 20 AND CNEA PRESIDENT CASTRO MADERO IS IN LIMA TODAY, WEDNESDAY JULY 22, FOR THE INAGURATION OF THE REACTOR AND TO FIRM UP ARRANGEMENTS WITH THE PERUVIAN NUCLEAR INVESTIGATION CENTER FOR THE SALE OF THE 10MW REACTOR. THIS FINANCIAL TRANSACTION WAS RECENTLY APPROVED BY THE CAL (GOA LEGAL DIVISION). CASTRO MADERO INDICATED IN A RADIO DISCUSSION YESTERDAY THAT THE ARGENTINE-PERUVIAN NUCLEAR COOPERATION IS THE FIRST OF ITS KIND IN LATIN AMERICA

AND IS THE KEYSTONE FOR THE FUTURE TRANSFER OF NUCLEAR
TECHNOLOGY BY ARGENTINA TO OTHER COUNTRIES.
CASTRO

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